

STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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Local Government Tax Control Board Meeting Minutes October 23, 2008

Call to Order: The monthly meeting of the Local Government Tax Control Board was held on Thursday, October 23, 2008 at 10:00 am. The meeting was held in the Indiana Government Center South, Conference Center Room A; 302 West Washington Street, Indianapolis, Indiana 46204. Those in attendance were David Christian, Lisa Decker, Dan Jones, Ken Kobe, John Stafford, Chuck McLean (Administrative Officer), and Linette Pedigo (Administrative Secretary).

Minutes and Discussion: Mr. Christian called for the approval of the minutes from September 25, 2008. Mr. Kobe commented on how complete and well done the minutes were. Mr. Kobe made a motion to approve the minutes. Mr. Stafford seconded.

Motion passed by a vote of 5-0.

Wayne Township Allen County *Emergency Township Assistance Loan*

Summary: The unit is one of several in Allen County that is working its way through cash flow challenges associated with the economic downturn. It appears the unit has a \$430,000 loan outstanding from 2007.

Amount Requested	\$1,000,000
Tax Increase Needed	0.0486
Current Tax Rate for the District	3.2651
Tax Increase as Percent of District Rate	0.148

January 1 Cash Balance	\$4,427
Plus: Current Year's Certified Tax Levy	\$2,190,685
Plus: Estimate of Current Year's Revenue	\$648,000
Total Funds Available for the Current Year	\$2,843,112

Less: Encumbrances	\$0
Less: Current Year's Expenditures	\$3,700,000
Remaining Funds	\$(856,888)
Advertised Year's Budget	\$4,279,020
Adopted Current Year's Budget	\$4,279,020

Publication: 07/18/2008

Hearing: 07/29/2008

Date Adopted: 07/29/2008

Present for hearing: Rich Stevenson, Trustee; Curtis Whittaker, CPA and Financial Advisor; Mark GiaQuinta, Township Attorney; Karen Walker, Township Administrator.

Comments: Mr. Stevenson introduced the Township representatives with him. He informed the LGTCB that they were there seeking approval for an emergency loan in order to meet a greater demand for service that came about as a result of a weak economy and a structural deficit.

Mr. Stevenson reviewed the State Legislature's cap on the levy for governmental units and that year Wayne Township took out a loan which lowered its levy, but a structural deficit has been created which prevents it from meeting its needs. He said the LGTCB encouraged him to implement cost cuts where possible to get Wayne Township closer to its approved budget. As a result there were changes put into place allowing them to serve more clients at a reduced level of assistance than in the past. Mr. Stevenson said the changes were made in the area of policy, procedure, programs, as well as the evaluation and revision in eligibility standards. He said they were able to prevent large payouts as a result of severance pay by restricting the amount of vacation time that one is allowed to carry over from one year to the next, elimination of payouts for sick-time and permission to take unpaid sabbaticals. Mr. Stevenson said they were also able to hold flat insurance costs and special consideration was taken to revise their intake process. He said they were able to take a look at their outreach and shelter program and eliminated it as it was not cost-effective and efficient. Mr. Stevenson also noted the revision of their employment program and put greater emphasis on job-readiness, aggressive counseling and partnering with the business community. He stated that the elimination of the outreach program resulted in \$43,000 of saving in operations costs and about \$30,000 in salaries. Mr. Stevenson told the LGTCB that the employment program has found jobs for 150 people in the first nine months of the year and saved \$156,000. In reference to their eligibility standards, Mr. Stevenson said that they lowered their income requirements for assistance with the expectation that fewer people would qualify for assistance. He said they also incorporated a "90/30" rule to put controls on the expenses associated with running their shelter. Mr. Stevenson noted that their shelter and utility expenses are their primary costs for direct service. He stated that caps were put on each one of the utilities and clients are encouraged to apply for needed public assistance.

Mr. Stevenson stated that even with the changes noted, there has been a 40% increase in demand for services and assistance. However, he added that with the controls Wayne Township was able to reduce their direct service costs by 20%. Mr. Stevenson stated that through attrition they were able to reduce their salaries, and then cross-trained remaining staff to avoid filling vacant positions. Mr. Stevenson reviewed the constraints and circumstances such as high unemployment rates and percentages of female-headed households, rentals and low-income residents that are concentrated in Wayne Township and contribute to the high demand for services.

Mr. Stevenson shared that the Township's initial emergency loan request was for \$1 million; however, following the implementation of their controls their need was found to be at \$630,000.

Mr. Whittaker presented the calculations used to come up with the request for an emergency loan. He noted that the advertisement was for \$4.2 million, which was figured as a result of the structural deficit mentioned previously by Mr. Stevenson. Mr. Whittaker said that they do not foresee any relief except for a levy appeal, which the Township is not eligible for at this time. The other option Mr. Whittaker mentioned is the emergency loan which they are pursuing based on the statute.

Mr. Christian notes that there is a resolution approving a \$1 million figure. He asked Mr. McLean if there needed to be a new resolution reflecting the new figure associated with their request. Mr. McLean stated that it is up to the Board to choose to move forward and modification can be made by the Commissioner. Mr. Jones stated that there needs to be a decision made not to exceed. Mr. Christian notes that that is not noted in the resolution. Mr. GiaQuinta restated that the request is for \$1 million, but in the spirit of wanting to help the LGTCB in their decision, the Unit is advising them that the need is \$630,000.

Mr. Christian asked about the interest rates being offered from the banks. Mr. Stevenson stated that the information was provided the morning of the hearing. Mr. McLean added that the interest rate was 3.62%. Ms. Decker noted that one of the Board members voted against the request for \$1 million. Mr. GiaQuinta responded that if asked after November 4, there might be a different response. He said that it was at the same meeting that she opposed the voluntary vacation policy because they could not tell her how many people would take voluntary vacation. Mr. GiaQuinta noted that that was the level of explanation that this Board member provided concerning the loan.

Mr. Kobe asked about the tax rate impact for the loan in 2007 as compared to 2008. Mr. Whittaker directed him to page 2. Mr. Kobe then asked about the answer to question 6 on page 5 in reference to the historical data; he wanted to know if the 7.64 cents included the impact of the loan. Mr. Whittaker replied that it did not. He said that he did not have the information with him from the budget order. Mr. Kobe clarified his question. He wanted to know the impact of the loans cumulatively on the tax rate. Mr. Whittaker replied that it would be difficult to say for sure because they are working with an estimated assessed value as noted on page 2 of their proposal. He stated that expectation is that the tax rate impact will be lower than what is estimated on page 2 because they used the \$1 million request amount to figure it, but if \$630,000, it would be lower than the 4.86 cents shown on page 2 of their proposal.

Mr. Kobe asked what the increase would be for a household. Mr. Whittaker replied that the tax payment increase would add about \$5.00 to the payment for a home worth \$100,000, but the net affect will be less than the \$5.00. Mr. Stafford stated that the changes in the homestead deductions will dramatically impact the rates. He said the impact should be about 50% more than it was last year. Mr. Jones said that because of the homestead credit the assessed value will go down.

Mr. Stafford noted that he is a taxpayer in the jurisdiction in question, so he will abstain at the time of the vote. He asked the Wayne Township representatives to look at page 5, question 6 in reference to actual expenditures for township assistance from year-to-year. Mr. Stafford asked where they believed they would be at the end of the year in terms of township assistance. Mr. Whittaker said they would be around \$3.2 or \$3.3 million. Mr. Stafford asked about the cash they are bringing over from 2008 versus 2007. Mr. Whittaker explained that that was correct. Mr. Stafford clarified that they are looking for more money in their request because they are bringing over less cash into 2008 than they did going into 2007. Mr. Whittaker said that was correct also. Mr. Stafford noted the County Auditor's support for the Wayne Township request for \$630,000. He asked if they had been before the County Council. Mr. Whittaker replied that the County Council denied their request due to an amendment to the statute, but they did not have to go to them for a recommendation on the loan, just on the budget. Mr. Jones asked what the recommendation was for the 2009 budget. Mr. Whittaker stated that the County Council recommended that they stay within their 4% levy growth increase. Mr. Jones asked if the loan was outside of their 4%. Mr. Whittaker stated that was correct, but they had one person who objected to what who was really torn and that was why they received a letter from the Auditor. Mr. Christian asked where they are at on unemployment. Mr. GiaQuinta

stated that they went to the City of Fort Wayne for number and estimated as best they could, given that no one tracks unemployment figures for the townships specifically. He stated that last year when the state was around 4% to 5%, Wayne Township was at about 12%, but as the State's unemployment has risen to 6.2%; it would be a conservative estimate to say that the Township is now at 14%.

Mr. Jones referred the comments made about the structural deficit and asked for some clarification. Mr. Whittaker replied that the Trustee was just trying to give some background on the actions of the General Assembly where they froze levy growth and disallowed banking and in that year (2002 or 2003) the Township reduced its levy and was not allowed to grow. He added that the banking that was disallowed artificially reduced the levy.

Mr. Stafford asked Mr. Jones if he would look at the County Auditor's letter where it is stated that the Township took out a \$1 million loan in 2004 which carried them through until they came back to the LGTCB last year (2007). Mr. Stafford clarified that at the time the LGTCB approved multi-year loans. Mr. Jones asked about the mention made of the property tax caps and how they have any impact on the loan. Mr. Whittaker stated that that was just a matter of wrong language; Mr. Stevenson was actually referring to the frozen levy.

Mr. Jones asked about the total population. Mr. Stevenson responded that the range in count is between 102,000 and 110,000. Mr. Jones then asked about the census information in their packet and the numbers provided concerning those living below the poverty level. Mr. Christian and Ms. Walker helped to clarify that they used 102,000 as the total population number and the 17% was the percentage said to be living below the poverty level. Ms. Walker also noted that these are 2007 numbers and they experienced great job loss in the last year in their Township. Mr. GiaQuinta stated that 65% of their student population qualifies for Title 1 assistance (free and reduced lunch). Mr. Jones then asked how the Township allocates their income tax, such as a county income tax. Mr. Whittaker said that it was included on page three and shared that it is allocated to this fund. Mr. Jones stated to the LGTCB members that if they wanted to stay with the County Council's recommendation to have the Township stay within their 4% that would mean approving \$116,989. Mr. GiaQuinta noted that that would leave them unable to fulfill their statutorily required mission. Mr. Jones nodded in response.

Motion: Mr. Kobe made a motion to recommend approval of emergency township assistance loan for \$630,000.

Comments on the motion: Mr. Kobe commended the Trustee for the steps he has taken to control The Township expenses as much as they can be.

Ms. Decker seconded the motion.

Motion passed by a vote of 3-1-1. Mr. Jones cast the dissenting vote. Mr. Stafford abstained from the vote.

Penn Township
St. Joseph County
Emergency Township Assistance Loan

Summary: The unit is one of several in St. Joseph County that is working its way through cash flow challenges associated with the economic downturn. In addition, the unit is seeking a 2-year repayment, and it has an outstanding poor relief loan from 2007 and an emergency township note with a balance outstanding from 2007.

Amount Requested	\$275,000.00
Tax Increase Needed	0.0116
Current Tax Rate for the District	2.8424
Tax Increase as Percent of District Rate	0.41

January 1 Cash Balance	\$140,597
Plus: Current Year's Certified Tax Levy	\$266,575
Plus: Estimate of Current Year's Revenue	\$29,092
Total Funds Available for the Current Year	\$436,264

Less: Encumbrances:	\$0
Less: Current Year's Expenditures	(\$715,000)
Remaining Funds	\$(238,736)
Advertised Year's Budget	\$507,000
Adopted Current Year's Budget	\$507,000

Publication: 8/07/2008

Hearing: 08/20/2008

Date Adopted: 08/20/2008

Present for hearing: Karl Cender, Financial Advisor with Cender & Co.; Jeff Dean, Township Trustee; Brad Bingham, Bond Counsel with Barnes & Thornburg, LLC.

Comments: Mr. Cender introduced the Township representatives. Mr. Dean said that the Township is seeing record numbers of people coming in for assistance, record numbers of people asking for assistance that have never had to ask for it before, and more people than ever before are qualifying. He said that there have been many lay offs in their area. Mr. Dean said that there are also skyrocketing utility costs in November and December in northern Indiana.

Mr. Christian asked if Mr. Dean has any type of indication of what the actual increase is. He also asked for the unemployment rate. Mr. Dean said he does not have an unemployment rate, but he does work closely with WorkOne and the number of people applying for their help is increasing as well. Mr. Dean said they spent \$296,000 and now they are at \$359,900 through September 2008. He asked the LGTCB to note that last year was a record year.

Mr. Christian asked if they had contacted any of the banks. Mr. Cender responded that they had contacted three, two of which are pending decisions and one has already declined. He said that there are several more he needs to contact. Mr. Cender said that there are no banks or quotes as of now. Mr. Bingham said that there is a general uncertainty amongst banks right now, which are hesitant to lend at this time.

Mr. Stafford asked Mr. Dean to describe Penn Township. Mr. Dean said it is about 90,000 people, boarding Elkhart and South Bend. Mr. Stafford asked if they took their 2009 budget to the County Council. Mr. Dean said he had received no recommendation from them to date. Mr. Stafford asked if the circuit breaker was going to be a big impact. Mr. Cender replied that there should not be for 2009 and 2010.

Mr. Jones asked how they allocate their distributor shares. Mr. Dean said it goes mostly to the fire. Mr. Jones inquired as to what the trend has been. Mr. Cender said that the trend on the COIT distribution have had a small increase, but nothing substantial in the last several years. Mr. Jones asked if they had adopted local option income tax. Mr. Dean said that is in discussion, but not much movement has been made on that from three councils that would make a decision on that. Mr. Jones added that that was one of the best ways to avoid the property tax increases.

Mr. Jones asked what the average of the rate in their district was, if it was the 2.84 on page 2 of their proposal. Mr. Cender said that was correct and that it would go down as a result of removing the welfare rates from the tax role for next year as well as the school general fund and some of the pension plans. Mr. Christian said there is about \$180,000 that will roll off at the end of the year. Mr. Cender the Township took out an emergency fire loan two months prior and as soon as this one rolls off they are expecting to have the \$275,000. He said even though it says that it will be a two year term, they are planning to do just a one year term, which has been their history on the emergency loans. Mr. Cender went on to say that the increase in the tax rate is minimal, less than half a penny.

Mr. Christian asked how much to fire loan was for. Mr. Cender said it was for \$250,000. Mr. Christian clarified that the Township has \$180,000 in debt coming off the roll, with \$250,000, plus the \$275,000 being requested, being added on. Mr. Kobe asked if that debt order had already been issued. Mr. Cender said that it had.

Mr. Stafford asked them to look at the top of page three to ask about the township assistance loan from last year and the emergency loan from this year. Mr. Cender clarified that that was for fire. Mr. Cender said that both loans will mature at the end of this year (2008). He clarified that the fire loan was applied for following the submission of the petition currently before the LGTCB.

Mr. Stafford says that he wants to be sure he understands where the Township is at. He stated that they are just under \$360,000, and are on course to spend roughly \$480,000 or more by the end of the year. Mr. Stafford asked if given the full amount of the request of \$275,000, what amount would that give the Township in their township assistance fund for the year. Mr. Cender said that proposal says it would give them about \$715,000; however they do not have their final budget order and are anticipating some shortfall, in which case they would end up with \$560,000 to \$600,000. Mr. Stafford asked if \$600,000 was closer to what they really need. Mr. Cender said that they are anticipating a cut in their budget, which they believe will come mostly from township assistance fund. Mr. Stafford asked on what basis they were making this assumption. Mr. Cender said that their advertisement of the budget was for an amount over their maximum levy just like with other units, so they expect that it will all come out of poor relief assistance. Mr. Jones asked about the budget amount that was advertised. Mr. Cender said that it was \$507,000, which may be reduced. Mr. Stafford asked how much of a reduction they were anticipating. Mr. Cender said it could be anywhere from \$100,000 to \$150,000.

Mr. Stafford asked what the levy was the prior year. He asked Mr. Cender to look at page 4 of their proposal which indicated that they had received \$490,000 in 2007. He said given their request of \$507,000 he does not understand why he would expect a deduction. Mr. Cender responded that between the Township's general fund, poor relief, and recreation, in years past they have had shortfall and then consider the additional cost of poor relief. Mr. Stafford stated that this is about more than just the poor relief fund, but also about the general fund and the fire fund. He said that it is helpful for the LGTCB to know that because based on township assistance, they are asking for too much money. Mr. Cender said that is where they are township assistance as well as an anticipated

shortfall for in the three funds mentioned of anywhere from \$150,000 to \$200,000. He said based on the fact that they do not have their 1782 notice and the where the Township is with their other funds this is their only option for funding township assistance for the rest of the year.

Mr. Christian asked if the \$275,000 they are requesting was for both township assistance, as well as to pay off the \$110,000 on the note. Mr. Cender said no, to correct Mr. Christian he said it was \$70,000 that was still left on the note and for that there was a separate tax levy. Mr. Cender explained that the \$275,000 would be used to make their fund whole and get them through the remainder of the year and cover their additional costs. Mr. Christian asked what amount they need for this. Mr. Cender said they would need \$250,000.

Mr. Jones asked if he could review the math with Mr. Cender. Mr. Jones stated that if they used the figure of \$650,000 to calculate the amount of money needed, it would take their projected deficit from \$278,000 to \$213,000. Mr. Jones asked if that was a reasonable figure. Mr. Stafford stated that he thought Mr. Jones was being generous, because he believed they would come closer to the \$550,000. Mr. Christian said he was coming up with about \$243,000, so they were all in the same area.

Motion: Mr. Jones made a motion to recommend the approval of the emergency township assistance loan for Penn Township in the amount of \$213,736 for a period of two years. Mr. Stafford seconded the motion.

Discussion on the motion: Mr. McLean asked if that includes paying off the existing \$70,000 loan that is outstanding. Mr. Jones clarified that this did not include the \$70,000 loan; it would be separate.

Mr. Stafford asked why two years. Mr. Cender said that that is how they started out several years ago in the bond ordinance and next year they can make the change back to one year. He added that all the others have been one year, and the two years gave them some flexibility. Mr. Bingham stated that the statute reads strangely, but their intent is to pay it off in one year. Mr. Cender said it be critical that they get the order in time so they can close in December otherwise they cannot put it on the tax levy for next year.

Motion passed by a vote of 4-0-1. Mr. Kobe abstains.

Portage Township

Porter County

Emergency Township Assistance Loan

Summary: The unit is one of several in Porter County that is being challenged by the slow economy and the instability in the manufacturing industry. It should be noted that Porter County Assessments are two years behind, so any property tax rate impact is simply a guess. Also, this unit has budgeted out of balance on this fund for several cycles causing chronic short-term borrowing. Finally, it may be that the total request covers 2 years.

Amount Requested	\$100,000
Tax Increase Needed	0.0049
Current Tax Rate for the District	2.4425

Tax Increase as Percentage of the District	0.27
January 1 Cash Balance	\$70,394
Plus: Current Year's Certified Tax Levy	\$467,049
Plus: Current Year's Estimated Revenue	\$43,200
Total Funds Available for the Current Year	\$580,643
Less: Encumbrances	\$ 0
Less: Current Year's Expenditures	\$685,000
Funds Remaining	(\$104,357)
Advertised budget	\$562,169
Adopted Budget	\$582,169

Publication: 08/29/2008 Hearing Date:09/09/2008 Date Adopted:09/09/2008

Present for hearing: Karl Cender, Financial Consultant with Cender & Co.; Joyce Webster, Township Trustee; Eva Cloyd, Township Bookkeeper/Clerk; Stephanie Spirer and Tom Pitman, Counsel from Baker & Daniels.

Comments: Mr. Cender introduced himself and the representatives from Portage Township. Ms. Webster stated that their area is feeling the impact of the economical setbacks. She said they are seeing more families in need and falling behind on their mortgages, as well as those on fixed incomes who are unable to keep up with climbing NIPSCO and other utility fees. Ms. Webster added that there are several who have been affected by lay-offs and cutbacks in their region. She said that in September of 2008, they experienced flooding, and following the incident they worked closely with FEMA to get back on their feet. She said they have been diligent in holding people to their guidelines and this has helped to combat expenses. Ms. Webster shared that they have had 196 more families qualify for assistance than last year through their office. She stated that there has also been an increase in their burials, so they anticipate needing the assistance through the end of the year.

Mr. Christian asked if they were asking for a one year or two year loan. Mr. Cender said that they are looking for a one year loan provided they can get it approved by December of 2008. Mr. Christian asked if they had applied to any banks. Mr. Cender responded that they have contacted several banks who are considering their request. He said they would work on getting the quotes to Board as soon as possible. Mr. Christian then asked if they currently had a poor relief loan. Mr. Cender said that was correct and it was for one year, so it retires in January 2009. He added that they have \$62,500 left on the loan.

Mr. Jones asked if their current request was a decrease in their emergency loan, as last year was \$125,000 and this year is \$100,000. Ms. Webster replied that that was correct. Mr. Kobe asked if there were any year-to-date figures for expenses. Mr. Cender responded that through September they had expended \$473,307, and annualized it is about \$630,000, which is \$53,000 more than last year. Mr. Cender explained that in addition to the increased need discussed by the Trustee, the steel mills are closing and so they are expecting more. Mr. Kobe confirmed with the Trustee that the numbers Mr. Cender shared were consistent with her findings. Ms. Webster stated that they were.

Mr. Kobe asked Ms. Webster what they have done with respect to staffing in the office as well as eligibility standards and other things that are within the Trustee's control. Ms. Webster stated that

there is greater accountability for the families seeking assistance as well as diligence in following the guidelines set for qualifying for assistance.

Mr. Stafford asked Ms. Webster how long she has been in the position of Trustee. Ms. Webster responded that this was her second year. Mr. Stafford noted that on page four that back in 2004 there was a substantial spike upward in township assistance. Ms. Webster responded that there was, but that was no longer, as they were very lax in that administration, but she had to reel in the expenditures. Mr. Stafford asked if they had been before the County Council with the 2009 budget. Ms. Webster replied that they had been and they approved their request and stated that they were within the percentages they needed to be. Mr. Stafford asked if the emergency township assistance loan was part of that discussion. Ms. Webster responded that it was not. Mr. Stafford nodded acknowledging her responses.

Motion: Mr. Kobe made a motion to recommend approval of the emergency township assistance loan for one year. Ms. Decker seconded the motion.

Motion carried by a vote of 5-0.

Honey Creek Fire Protection District

Vigo County

Increase to Max Levy

Summary: The unit is requesting a levy of \$212,500 based on the content of HEA 1125, Section 69. The FPD was working with its county and local officials to resolve the FPD funding with other property tax issues. During that period, the Order for their levy expired, allowing them to only collect half the approved amount. They are now seeking the other half. The unit has provided the Board with a summary booklet that is comprehensive and accurate.

Requested:	\$212,500
Advertised:	\$212,500 Excess Levy to the General Fund
Dates:	August 4 th and 11 th , 2008
Budget Hearing Date:	09/15/2008

AV:	\$733,201,204
Unit Rate Impact from Appeal:	0.0289
District Rate Impact:	0.1386

SECTION 69. [EFFECTIVE UPON PASSAGE] (a) As used in this SECTION, "eligible district" refers to the Honey Creek fire protection district located in Vigo County.

(b) To account for the change in the definition of "assessed value" reflected in IC 6-1.1-1-3(a)(1) and IC 6-1.1-1-3(a)(2), the taxable assessed value to be used for purposes of subsection (a)(2)(B) is the product of:

(1) the actual taxable assessed value; multiplied by (2) three (3).

(c) An eligible district may, before September 20, 2008, appeal to the department of local government finance for relief from the levy limitations imposed by IC 6-1.1-18.5 for property taxes first due and payable in 2009. In the appeal, the district must:

(1) state that the district will be unable to carry out the governmental functions committed to the district by law unless the appeal is approved; and

(2) present evidence that the district is an eligible district.

(d) The maximum increase in an eligible district's levy allowed under this SECTION is two hundred twelve thousand five hundred dollars (\$212,500).

(e) The department of local government finance shall process an appeal under subsection (c) in the same manner that the department processes appeals under IC 6-1.1-18.5-12.

Present for hearing: Joseph Shackelford, Fire Protection District (FPD) Chairman of Trustees; Max Harrah, FPD Vice Chairman of Trustees.

Comments: Mr. Christian reviewed the request of the Unit. He confirmed that the Unit advertised \$212,500. Mr. McLean stated that the advertised amount was \$212,500.

Mr. Jones asked if the Unit was a township fire department. Mr. Shackelford replied that they are a fire protection district, in Honey Creek Township and part of Linton Township, which is the Vigo County Industrial Park, which is 1,500 acres, was annexed into their district for fire protection in 1999. He stated that they have about 36 square miles of Honey Creek Township in addition to that and there are seven major manufacturing businesses there that are open 24 hours and have about 1,300 permanent employees. He said they provide fire and EMS to that area in addition to US 41 and the CSX railroad as well, I-70 is there and they assist the City of Terre Haute when necessary.

Mr. Shackelford said that this is their second visit to the LGTCB. He said in 2006 they came with a request for a \$425,000 tax levy, and it was approved. He said when they went to their County Council, they were only approved for one half of the budget amount, due to the fear of what the circuit breaker law would do to the tax receipts. He said they are appearing now to get the second half of their levy, because they are now running two of their stations with only one man per shift. Mr. Shackelford said their desire is to get that up to two, and in the meantime they are conducting a recruiting blitz to grow their volunteer base. He said they have nine new volunteers in training.

Mr. Christian asked when they received their additional area to serve. Mr. Shackelford said they received it in 1999 and they did not receive any compensation when the area was annexed until they began to receive monies from the taxes paid by the companies. He stated that when they asked for and received the first \$212,500 of the tax increase that they received in 2008 was the first payment they received other than taxes from those companies in the industrial park.

Mr. Christian confirmed that in accordance with HEA 1125, \$212,500 is the maximum amount the Honey Creek FPD can request. Mr. Shackelford concurred. Mr. Christian asked what would happen if the LGTCB said no to their request. Mr. Shackelford replied that they would continue manning their firehouses with one man. He said they are most concerned about the safety of the public. Mr. Christian asked if they would be able to carry out their governmental functions. Mr. Shackelford said that they would not be able to do so properly according to the National Fire Protection Association guidelines. He added that they currently have four stations with 22 paid employees and 30 volunteers and nine new volunteers in training. He stated that they answer over 1,200 fire and rescue alarms a year. Mr. Christian asked if they did not receive this amount what would happen to the numbers of paid and volunteer employees. Mr. Shackelford responded that the 30 would still increase, but the 22 cannot be increased without additional funds. Mr. Christian confirmed that the purpose of their request was to have the resources to increase the number of paid employees. Mr. Shackelford said yes, that it would allow them to provide better protection of their contract areas, Honey Creek Department of Fire and Rescue, Inc. Mr. Christian asked if their contract was going up or if they had asked for more funds. Mr. Shackelford said that the FPD had proposed a 3.5% increase for 2009.

Mr. Harrah shared that since the implementation of 911 the fire and rescue calls have doubled. He said in addition, from experience they have found that the Honey Creek Fire and Rescue are most readily accessible to the industrial park; so even though they did not have the area initially, it was given to them to provide service.

Mr. Stafford asked the Honey Creek FPD representatives to look at tab 6 of their proposal, and he asked about whether or not they had one fund. Mr. Shackelford replied that they have two, a general fund and a cumulative fund. Mr. Stafford noted that the numbers for general fund during some of the years reported are greater than their total district rate; which would seem to be a typo. Mr. Stafford pointed out that they are going from 20 cents to 29 cents, and asked if that was the total impact of the \$212,500 appeal. Mr. Shackelford said that includes the appeal amount, and commented that their maximum rate was set at 67 cents, so they are at about one-third of their total. He said they aware their may be less revenue for 2009 because of flooding and business closings.

Mr. Kobe asked what their general fund expenses were for 2007. Mr. Shackelford stated that their contract for 2007 was \$1.3 million. Mr. Kobe asked about the operating balance lines in tab 6 of their proposal, specifically line 11. Mr. Shackelford said that in 2007 he believes they spent \$1,004,282, and noted that their attorney helped put the forms together and would be able to better answer that; however he is unable to attend the hearing that day.

Mr. Jones noted that they may have addressed this earlier, but inquired as to whether or not they had been before the County Council. Mr. Shackelford replied that they had been, but the County Council had not responded. Mr. Jones asked if there had been any objections to the rate or levy as advertised. Mr. Shackelford said there have never been any objections from taxpayers since the inception of their FPD. He said the County Council would try their best to work with them, so that they can continue to adequately staff that area. Mr. Jones asked about their location. Mr. Shackelford replied that they are just south of Terre Haute and then provided additional details of their location. Mr. Jones asked about their population. Mr. Shackelford replied that there are about 14,000 to 15,000 people and their assessed valuation last year was at about \$733,201,000.

Mr. Stafford requested of their Chairman to double-check the sequence of events. He asked if they first had the annexation of the industrial park in 1999, and then went to the General Assembly and they provided special authority in 2006. He went on to say that they next came to the LGTCB and they approved the \$425,000 and following went before the County Council who became skittish about the circuit breaker, so they gave half. Mr. Shackelford concurred with all of that and added that they went to the DLGF who told them that they could not use the 2006 bill to get the second half, so they went back to the legislature and had the expiration date of the bill changed from September of 2006 to September 20, 2008. Mr. Stafford confirmed that the General Assembly had twice "blessed" the \$425,000 appeal. Mr. Kobe asked if the County Council had had a second opportunity to consider their request. Mr. Shackelford replied that the initial response from the County Council was negative; they were upset that the FPD had gone to the legislature. Mr. Harrah commented that he explained to the County Council and others how the appeal would benefit their area.

Mr. Christian asked what the tax impact was on the homeowner. Mr. Shackelford stated that it would cost him \$5 to \$7 additional on a \$75,000 property.

Motion: Mr. Stafford made a motion to recommend approval of the increase of \$212,500 in the maximum levy for the Honey Creek FPD. Ms. Decker seconded the motion.

Discussion on the motion: Mr. Jones stated that he would like to make this contingent on approval by the County Council, because they need to approve the FPD's 2009 budget. Mr. Christian asked if they have to approve this levy increase. Mr. Stafford added that the County Council has the final authority. He stated that even if the Commissioner approves this, and the Council does not approve their budget, then they do not have it. Mr. Kobe said that he is favorably disposed toward the FPD's request. He added that from what they have submitted he is not able to determine what the impact of all of this is, but he will reluctantly vote for it and the contingency certainly helps. He said he would defer to the legislature. Mr. Jones said the impact is roughly less than three cents and asked if Mr. Shackelford had stated that the average assessed value is roughly \$70,000. Mr. Shackelford replied that there are home valued at upwards of \$2 million. Mr. Shackelford also noted that the increases did not take them over the circuit breaker for 2008 or 2009.

Motion was modified to so that recommendation of approval of the \$212,500 increase would be contingent upon approval by the County Council.

Motion carried by a vote of 5-0.

City of Union City

Randolph County

Annexation Appeal

Summary: The unit is requesting a levy of \$100,000 because of the anticipated increase in costs of extending services into newly annexed areas. They state that the newly annexed area is 270 acres and an additional 12 acres that are all zoned for commercial, business, or industrial use. It was acquired for further economic and developmental growth

2008 Net AV	\$71,009,220
Unit Rate Impact	0.1408
District Rate impact	0.0290

2008 Levy (all funds)	\$1,726,591
2009 Proposed Levy (all funds)	\$2,313,551

Advertised Excess Levy, General Fund	\$400,000	09/02/2008
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Present for hearing: Monte Poling, City Manager; Anita Amspauagh, Clerk-Treasurer.

Comments: Mr. Christian reviewed the details of the Unit's appeal. He asked the representatives if the land was developed. The Union City representative who was female replied that it was developed, mostly industrial. Mr. Poling gives an overview of the area, stating that they are a small community of 3,700 people in central Indiana. He stated that they have a significant unemployment rate, which as moved the current administration to have a focus on creating jobs for their community. Mr. Poling added that they have an industrial area south of their town that was annexed in January of 2008 and has had some deferred maintenance and it will require some additional fire and police protection as well as other equipment that they will need given the unique needs of that industrial area. Mr. Poling said that they are a distressed area according to federal guidelines, and their property values are also pretty depressed. He said they are working to bring the area up. He also

stated that they now have Navistar as a corporate neighbor, as well as a hybrid vehicle manufacturer, Productive Concepts, in the industrial park, as well as a Canadian company, Ag Growth, which makes agricultural products.

Mr. Stafford asked if this involves one or two annexations. Mr. Poling said that it was just the one to the south. Mr. Stafford asked if it was industrial when it was annexed. He added that there were about 124 acres of the one industrial park that is woods and open ground that they hope to develop. Mr. Stafford asked if this was a voluntary annexation, meaning did they petition the City to annex. Mr. Poling said the City initiated that annexation, and they did not object to it. Mr. Stafford asked what was added to the assessed valuation (AV) with that annexation. Ms. Amspaugh stated that it was about \$12 million, which was about 17% of their total AV. Mr. Stafford confirmed that their max levy would have accounted for about 15%. Ms. Amspaugh said they were advised to levy for the other 2%.

Mr. Stafford asked how they came up with the \$100,000 figure as he does not see any justification for it or how it is tied to any fiscal plan. Mr. Poling said that they were working with the DLGF representative, the basic thought was that they should apply for that amount, though it will not cover the expense associated with fixing the drainage issue going on out in that area as well as some of the paving and increased traffic. Mr. Stafford asked how they normally pay for those types of expenses. Mr. Poling replied that storm drainage and paving are under general fund, and water and sewer will be taken care of through utilities.

Mr. Stafford asked what the impact would be to all of the taxpayers. Mr. Poling said that it is difficult for him to understand. Ms. Amspaugh said they are looking at the at 35% decrease in their property tax revenues because of the circuit breaker, on their original \$71 million assessed valuation. She said that their general fund operating balance will be \$27,000 and that is if they collect all of it. She stated that last year (2007) there was a \$36,000 deficit because of appeals and delinquency, and the year before it was \$96,000.

Mr. Christian said it looks like about a 14 cent increase on the tax rate. Ms. Amspaugh said that they did not increase the tax rate at all last year, so that taxpayers would not incur any kind of raise. Mr. Christian asked if they knew what the impact would be for a \$100,000 home. Ms. Amspaugh responded that for her brand new home her taxes were cut in half this year (2008) because of the circuit breaker. Mr. Jones clarified that that was due to homestead credit and not circuit breaker. He explained that this was the first year of the circuit breaker and the effects of that would be felt more so at the end of the year. He added that if the changes they had experienced were due to a circuit breaker, their request would not help them because it will be more added to the circuit breaker and subtracted from the levy.

Mr. Jones said this is an appeal for an annexation levy, which would be an increase to their maximum levy. He said that they would be receiving it from the increased AV coming from the newly annexed industrial area. He further explained that because the annexation was effective after March 1, 2008, the increased AV would be applied to 2008 pay 2009 AV. Mr. Jones stated that typically the Unit would be held to a 4% increase, which would have forced all of their other rates down due to the annexation. He said in this case they need an increase in their maximum levy in order to capture the tax dollars from the industrial area.

Mr. Stafford stated that they would get most of this automatically. Ms. Amspaugh explained that they would receive most of it but, the other 2% is the \$100,000 they are requesting, which will allow

them to capture everything they are entitled to, including the amount over 15%. Mr. Stafford stated that he struggles to see how they arrived at \$100,000. Mr. Kobe asked if they are viewing the \$100,000 as tax rate neutral, meaning that they are trying to capture the maximum levy they are entitled to with the annexation. Ms. Amspaugh agreed.

Mr. Kobe asked if the purpose of the annexation was to extend water and sewer services. Mr. Poling said they have extension to some of the businesses there, but they will have to extend services to those facilities on the east side of SR 32. He said that it puts them in position to try and help develop that industrial park and they have not been in that position before. He said they are looking to get the maximum levy and because values have been so low it is very difficult to come up with the figure that allows them to operate.

Ms. Decker asked about the resolution to increase the maximum levy which was not signed by one of the Council members. Ms. Amspaugh said that if he did not sign it, it is because he was not there. Ms. Decker asked if there was any discussion at that meeting, or if there were any concerns expressed by members of the community about the request. Ms. Amspaugh replied there were no objections.

Mr. Stafford expressed that he is still confused. Mr. Kobe said that he is as well. Ms. Amspaugh shared that this is very confusing for the Clerk-Treasurers as well. She explained their position concerning the appeal again. Mr. Stafford asked what they anticipated the tax rate being next year. Ms. Amspaugh said that their tax rate for 2008 was \$2.43 and it will be increased by 14 cents in 2009. Ms. Amspaugh explained that their rate is so high because they were once an industrial town, but when all of the industry left in the 1980's, those who were left had to cover that. Mr. Kobe asked about the calculation used to determine what the City would get from the increase to their AV following the annexation. Ms. Amspaugh stated that the DLGF helped them to determine that number when they went in to do their budget.

Mr. Kobe asked what they would do or not do if they did not get this appeal. Ms. Amspaugh stated that their survival is dependent on this because they are already going to lose on the \$71 million of AV, but they now have to take care of the part that they annexed that the county will no longer be responsible for. Mr. Kobe asked if it was assumed that this \$100,000 would be granted or necessary once the annexation took place. Ms. Amspaugh stated that nothing is assumed. Mr. Poling replied that they had hoped it would be granted. Ms. Decker said that she struggles with the annexation appeals because all of these things need to be taken into consideration when the annexation is done, so that the Unit does not have to get to the point where they are asking for additional funds which places a burden on the rest of the community that was there prior to the annexation. Mr. Poling stated that this is why they are only asking for a single year. Mr. Stafford stated that an annexation appeal is not for a single year; it is permanent.

Mr. Jones said that one of the things they look for in a fiscal plan is a calculation of how they will use the additional monies. He said that beyond some general statements about police and fire, there is no calculation detailing how they got to this amount. Mr. Jones reiterated Ms. Decker's point about the additional cost to those residents already there in order to help the City pay for the newly annexed.

Mr. Poling asked if they ever run into situations like theirs where the annexation was something they had to do in order to survive, they have to find a way to create jobs... Mr. Christian stated that what Mr. Jones is asking for is a forecast or budget as to what the expenditures are going to be for the annexation. He further explained that that would help the LGTCB members in explaining where the

\$100,000 figure came from. Mr. Christian asked if the DLGF representative helped him with that figure, if they had any paper work to go along with that to substantiate the amount. Mr. Poling and Ms. Amspaugh replied that they did not have anything with them. Mr. Kobe asked what they expected to spend out of the 2009 budget to improve on the industrial park. Mr. Poling said if the bid comes in close to a recent project they have, then it will cost about \$125,000 to replace the storm sewer alone. He said this is priority one because there are places that they cannot develop until that is done. Mr. Christian said that is a one-year expenditure. Mr. Poling agreed.

Mr. Stafford asked how much additional EDIT funding they would get because of the annexation. Ms. Amspaugh said that she was unsure. Mr. Poling responded that there is not a lot going into it right now, but the hope is that the companies like Navistar and others will increase that. Mr. Stafford asked what the EDIT fund distributions were based upon, property tax levy or population. Mr. Poling said it is based on population, and they get approximately \$125,000 a year.

Mr. Christian stated that the main concern from the LGTCB is that they are not sure how the Unit arrived at their request or how to justify it and would request additional information. Mr. Stafford agreed.

Motion: Mr. Jones made a motion to postpone their appeal. Ms. Decker seconded the motion.

Discussion on the motion: Mr. Christian said they will need some kind of budget forecast paperwork to say how and where this is going to be spent in order to substantiate approval. Mr. Kobe stated that absent of that information he is not favorable disposed to their request. Mr. Poling shared that he understands that. Mr. Kobe asked if there would be an issue with the northern annexation. Mr. Poling said that he does not foresee that as it is slated for development by private interest.

Motion carries by a vote of 5-0.

Hudson Civil Town

Steuben County

Shortfall appeal

Summary: The Town of Hudson is petitioning for a shortfall of \$11,280 for the year 2007.
 The unit has inadvertently appealed for shortfalls in funds that are not eligible.

2008 AV:	19,740,023
Unit Rate impact of the appeal	0.0571
District Rate Impact	0.0281
2008 Levy (all funds)	\$97,973
2009 Proposed Levy (all funds)	\$101,888

Hudson Civil Town
Shortfall Appeal Calculation

Budget Year: 2007

<u>Funds</u>	<u>Certified Levy</u>	<u>Actual Collections</u>	<u>Circuit Breaker</u>	<u>Difference</u>	<u>Rate</u>
General	\$65,334	\$57,272	\$0	\$8,062	\$0.3714

District #	Errors	Refunds	Total	District Rate	Unit's Rate	% of rate	Unit's Portion
Hudson Salem Twp	\$0	\$123	\$123	\$1.9224	\$0.3714	\$0.1932	\$24
Hudson Steuben Twp	\$0	\$3,778	\$3,778	\$1.9973	\$0.3714	\$0.1860	\$703
	\$0	\$3,901	\$3,901				\$726

Actual	\$8,062
Unit's Portion	\$726
Advertised	\$12,000
Requested	\$11,280

Advertised: Excess Levy, General Fund \$12,000 08/20/2008

Present for hearing: Ward Odom, Town Manager and Marshal, Atta Hayes, Clerk-Treasurer.

Comments: Mr. Christian reviewed their request. Mr. McLean stated that in conversation with the Unit outside of the hearings, one of the things they have included in their analysis of their shortfall eligibility is property tax levy associated with Motor Vehicle Highway funds. Mr. McLean stated that he had never encountered a unit which associated a property tax levy with their motor vehicle highway fund and had assumed that the fund was not eligible for shortfall appeal. He continued by saying that he has recently learned that this is a legitimate fund and is eligible. Mr. McLean said that he must amend the information he provided the Board for the calculations.

Mr. Christian noted that they advertised \$12,000 and requested \$11,280. Mr. McLean stated that it was likely that the Unit will receive something less than both of those numbers.

Mr. Odom introduced himself, as did Ms. Hayes. Mr. Odom said they are a town of 596 people. He said the amount they applied for, for their general fund, represents about 14% of their general fund budget. He stated that the amount for their motor vehicle highway fund is about 12%.

Mr. Kobe asked if their current maximum levy for is \$97,973. It was clarified by Mr. Odom and Mr. Kobe that that amount was for 2008 and next year Hudson's maximum levy would be \$101,000. Mr. Christian asked if there was a five cent tax impact. Mr. Odom concurred. Mr. Kobe asked if anyone had done the calculation to be sure it is accurate. Mr. Stafford noted that this is a fairly substantial request relative to their overall budget. He asked if there was a particular tax payer that had an assessment challenge or something that caused this. Mr. Odom responded that the cause of this is spread out; there is not one particular tax payer. He said that their biggest tax payers are their factories and they are doing well.

Mr. Kobe asked what they were going to do with the extra money. Mr. Odom replied that they would seal some streets before winter, because they are cracking badly. Mr. Jones stated that he was trying to assess the reason for the shortfall. He asked if it was appeals. Mr. Odom said that he did not know. Mr. McLean responded that it was due to a situation where the Auditor has made corrections to the assessed value certification.

Motion: Mr. Kobe made a motion to recommend approval of the shortfall appeal in an amount not to exceed \$11,280. Mr. Jones seconded the motion.

Motion carried by a vote of 5-0.

Waterloo Township, Fairview Township and Orange Township

Fayette County

Emergency Levy Appeals

Waterloo Township Summary:

The Trustee has declared an emergency exists that will prevent them from providing required services to the community. They are requesting a \$2,000 loan to get past their challenges.

2008 AV:	\$24,889,247
Unit Rate Impact	0.0080
District Rate Impact	0.0034
2008 Levy (all Funds)	\$6,023
2009 Proposed Levy (all funds)	\$8,900

Advertised to the Township Assistance Fund \$2,000 9/07/2008

Fairview Township Summary:

The Trustee has declared an emergency exists that will prevent them from providing required services and township assistance to citizens and protective gear to firefighters. They are requesting a \$6,500 loan to get past their challenges.

	Civil	Fire
2008 AV	\$23,114,231	\$22,560,541
Unit Rate Impact	.0281	.0199
District Rate Impact	.0081	.0086
2008 Levy (all Funds)	\$6,928	same
2009 Proposed Levy (all funds)	\$14,200	same

Advertised \$2000 to the General Fund and \$4500 to the Fire Fund 9/07/2008

Orange Township Summary:

The Trustee has declared an emergency exists that will prevent them from providing required protective gear to firefighters. They are requesting a \$3,000 loan to get past their challenges.

	Fire
2008 AV	\$26,106,681
Unit Rate Impact	.0115
District Rate Impact	.0049
2008 Levy (all Funds)	\$8,317

2009 Proposed Levy (all funds)	\$12,200
Advertised to Fire Fund \$3,000	08/27/2008

Present for hearing: Margie Jones, Waterloo Township Trustee and Assessor; Marion Dalrymple, Orange Township Trustee; Lisa K. Sembach, Fairview County Trustee.

Comments: Mr. Christian reviewed the details of the request. Ms. Jones stated that there was not enough money to pay salaries and they also have some in general and assistance and the rest of the funds are low or in the hole.

Mr. Stafford asked if they had received any of their property tax distributions for 2008. Ms. Jones replied that they had not. Mr. Stafford clarified that the real problem is that they have not received their property tax distributions for the spring. Mr. Christian asked if someone told her to appeal as an emergency levy. Ms. Decker asked if the situation was the same in the rest of the county. The reply was that it was not the same for everyone. Ms. Jones noted that the 2009 budget was cut close to \$2,000.

Mr. Jones and Mr. Kobe asked for clarification about who cut the budget, the Township Board or the DLGF. The reply was that it was the DLGF. Ms. Jones said that the Township Board told her she should appeal. Mr. Jones said the problem he has is with the emergency, because the statute states that this is for a Unit that after having some disaster or accident and is unable to fulfill their governmental responsibilities. He said that he is not seeing a disaster or accident. Mr. Christian commented that this would be more appropriate for a loan. Mr. Jones concurred. Ms. Jones asked how they will deal with the shortfall next year. Mr. Christian stated that once they get the distribution. Ms. Jones said it will help, but she is not sure how much it will be.

Mr. Stafford stated that he is still unclear as to who would have cut the budget for 2009. The reply from a member of the audience was that the DLGF had cut her budget. Mr. Stafford noted that it was early for the DLGF to release budget orders for 2009. The audience member stated that she had already received her final notice and her budget was denied which is why she filed an appeal. Ms. Jones stated that she was unsure how to go about transferring funds. Mr. Jones noted that the \$2,000 they are looking for is for the 2008 budget, not the 2009. Ms. Jones concurred, but said that the 2009 budget was cut. She said her immediate concern is for the remainder of the year. Mr. Jones noted that this should really be a township assistance loan.

Mr. Stafford asked how many residents are in the township. Ms. Jones said she did not know, but it was not as large as some of the others. Mr. Stafford asked if she thought that they were big enough to have their own township unit of government. Mr. Stafford said there is not enough information to act on the appeal, nor is it clear whether or not it is an appropriate appeal.

Mr. Dalrymple was asked to join this portion of the hearing. He explained that Ms. Jones has just seen that she is going to run out of money. Mr. Christian asked if the concern was running out of money in 2008 or 2009. Ms. Jones stated that the appeal was for next year (2009). Ms. Decker asked when they expect to receive the spring draw. Mr. Dalrymple said he does not know. Ms. Sembach stated that none of the townships in Fayette County have received their spring disbursements. She said that her own problems with paying for a burial are not related to a shortfall, but to a problem with the actual tax process. She shared that Ms. Jones major concern is that her maximum allowed

for her general budget has been decreasing each year. Mr. Christian asked Ms. Jones if she has enough for this year. Ms. Jones said when the draws come through she should have enough; however she is not sure exactly how much she will get.

Mr. Jones asked Ms. Jones if she would be able to make it through this year. Mr. Dalrymple said that they are out in the cold as far as information on when they will receive their disbursements. He said that Ms. Jones of Waterloo Township will make it through this year, but she will be in the hole next year. Mr. Kobe said this is an appropriate appeal. Mr. Stafford asked to clarify if this is for Township Assistance. Ms. Jones said she actually has about \$6,000 in her township assistance fund. Mr. Stafford asked her to note that the public notice that was advertised says it is for township assistance. It was clarified that it should be under township general fund. It was further stated that the information submitted for the appeal said that the appeal was for township funds, which differed from what was printed in the paper. Ms. Sembach shared that the paper is notorious for misprints.

Mr. Dalrymple asked if this was going to have to be re-published and then they reappear for another budget hearing. Mr. Christian replied that he would like to see what decision can be made today, pending necessary changes. Mr. McLean said that when the Unit re-advertises, the appeal will have to be heard again. He added that the Unit does not have to appear; he can make the case for them. However, while they are present he said he would like to have the Board examine the issue and the need.

Ms. Decker asked why and how their budget was cut by the DLGF. Mr. Jones replied that that there was not enough revenue there to support the existing budget. Mr. Kobe added that the levy, plus other revenues was insufficient. Mr. Stafford asked if the DLGF had done budget orders for 2009. Mr. Jones said they had not; it was too early. Mr. Stafford asked then how could the budget be cut if there is no budget order. Ms. Sembach said that she had received a letter letting her know that the Fairview levy was denied. She said there have been closings of businesses and lay-offs, for which many people were initially prepared. However, it had been a year and many were not finding new jobs and so she was seeing an increase in the number of people coming in for assistance. She said she is directing them to community agencies as well, but this is just the tip of the iceberg because winter is not here yet. She went on to say that she put in for an increase for township assistance. Ms. Sembach said that she received assistance from a local advisor who helped her in figuring out what the allowable percentages for her request would be. In addition she stated that she is certain she put in for the correct amounts for the fire fund, for the volunteer fire department, which is struggling to keep its doors open and has been underfunded for years. Ms. Sembach also commented that they have applied for federal grants and have been turned down. She said what they were told is that there is enough money available to them in their townships and the appropriate response is to get the township contracts up to where they need to be. Ms. Sembach added when she pursues more from the trustees, some believe that they are already paying enough and will not increase. She stated that the other situation she runs into is that every time a trustee tries to increase fire appropriations in their budget, the DLGF tells them that they cannot. Ms. Sembach remarked that if you combine all of contracts for the three townships and parts of four others that they cover, the monies only pay for one year of insurance. She said they are left to raise everything else on their own, and they are struggling just to outfit their personnel. Ms. Sembach shared that when she took over as trustee, the former trustee had been raising the contract price, which was supposed to be \$3,000 in 2007, but never increased the budget amount. She said she was told to use her general fund for fire. She told the LGTCB that the 2008 contract price was \$3,200, and that she should ask for more than she expected to get, so she requested a 50% increase. Ms. Sembach said she spoke with Wayne Hudson, DLGF

Field Representative, who helped her fill out the appeal paperwork. She said that she cannot get the fire appropriation up to where it actually funds the department.

Mr. McLean asked if all three received advice from Wayne Hudson. Ms. Jones said no. Mr. Dalrymple also said no, but he has spoken to Mr. Hudson about getting help with his fire fund.

Mr. Jones stated that he thinks Waterloo needs a township assistance loan this year because the township general and the township assistance are part of the same max levy. He said they are both in the same maximum levy control and that max levy is controlled by 4% growth each year and neither can go up more than the 4%. He told them trustees to apply for a township assistance loan; commenting also that this is purely financial.

Mr. Dalrymple said that he was there for the fire department. Mr. Christian said that the LGTCB would do Waterloo right now. Mr. Christian asked if the Waterloo appeal was a shortfall appeal. Mr. Jones replied that he thinks it is. He suggested that the trustee get a simple loan or get an e-loan from a bank and use that through the rest of the year, then next year they could get a levy increase of \$2,000. Mr. Jones restated that the DLGF has not taken any action yet on the 2009 budgets. Mr. Christian asked if all of this would have to be advertised again. Mr. Jones said he thought they were fine with their advertisement because it is a township assistance appeal. Mr. Christian asked if they have to change any of the paperwork with the LGTCB. Mr. Jones said he thinks the Board can take the information as it is. He said the appeal they are going to apply for is still under state law, but it is not listed in their information. Mr. Jones said a notation would be made that this will be for a township assistant loan and the rest will fall into place. Mr. Jones asked if the trustee was familiar with the 16-line statement. He said he could not see which year the statement was for. Mr. Christian pointed out that the previous sheet said it was 2009. Mr. Jones said that it can be used to go back and re-work the numbers and use this for a township assistance loan. He said the reason the budget has been reduced by the DLGF each year is because it is not funded or it is above the maximum levy and there are very few appeals available that can get them an increase in the maximum levy. Mr. Jones shared with the trustees that once the maximum levy is set low it is nearly impossible to increase, and they will have to deal with the 2% to 4% increases each year.

Motion: Mr. Jones made a motion to recommend approval of a township assistance loan for Waterloo Township of Fayette County of \$2,000. Ms. Decker seconded the motion.

Discussion on the motion: Ms. Decker asked if she would have to go out and get a loan from a bank. Ms. Jones asked if she would have to pay it back from the property tax draw. Mr. Jones stated that she would. Mr. McLean explained that Ms. Jones would receive an order in the mail and she could take that to the bank. Mr. Dalrymple commented that as she gets this loan, it is going into a fund that is already abundant with money. Mr. Dalrymple asked if that is allowed, and if so what is the process to transfer funds. Mr. Dalrymple said that Ms. Jones has \$6,000 to \$7,000 in the township assistance fund. He then asked if the trustees were allowed to transfer from one fund to another where the funds are really needed. Mr. Jones replied that they cannot transfer in and out of their fire fund, because that is a separate maximum levy controlled fund and it may even be a different geographic area than the township. Mr. Jones suggested that they reallocate revenues within the township assistance fund and the township general fund to keep them operational.

Mr. Christian asked from which fund the monies needed to be transferred. Mr. Dalrymple asked if Ms. Jones would do a transfer to get the money into the general fund where it is needed would that be allowed. He said that Ms. Jones would not need the loan if that were allowed, but she would still run

out of money at some point because the levy is set so low. Mr. Dalrymple commented this move would still not increase the levy. Mr. Kobe remarked that the loan would not either, so she would need to keep borrowing each year. Mr. Jones asked what the township general fund was used for. Mr. Dalrymple replied that the general fund is used for paying trustee salaries, board salaries, office rent, telephone, insurance, 4-H, publishing, etc. He added that the only thing that comes out of township assistance is for wages to investigate a system or shelter, fuel, electricity, etc.

Mr. Kobe said that if there is a surplus in township assistance, then they do not need a loan. Mr. Jones said he would have to talk to the State Board of Accounts (SBOA), because he is starting to think that they do not need a loan. He asked if they have COIT or CAGIT. Ms. Sembach said they have COIT. Ms. Jones said that it goes into the township general fund and the township assistance fund, but it is not very much. She said that it is \$109. Mr. Jones said he thought this should be looked at, at an administrative level. Mr. Christian asked Mr. Jones if he was withdrawing his motion. Mr. Jones said yes he would if Lisa would withdraw her second. Ms. Decker withdrew her second.

Motion: Mr. Stafford made a motion to forward to the commissioner with no recommendation. Mr. Kobe seconded the motion.

Motion carried by a vote of 5-0.

Further Discussion: Ms. Sembach stated that their fire department covers Orange and Waterloo Township and several others in the County. She said that they have reached a crisis point because last year they were looking at a steady loss in income because of increasing operating expenses. Ms. Sembach went on to say that they were looking at closing their doors in the next 4 to 5 years and that was a year ago. She said they had to do something now or money would not be there in time. She stated that a lot of people in their district think they get tax money, but that is not the case; they only receive contract money.

Mr. Christian asked about the request for \$4,500 for their fire fund and \$2,000 for township assistance. He noted that they advertised for the general fund for \$2,000 and that there was not advertisement for township assistance. Ms. Sembach replied that this is the second budget she has ever worked on and a copy of it was sent to the paper, from which they were to get the information for the advertisement. Mr. Christian asked whether or not this was another advertising problem.

Mr. Jones stated that township assistance and township general fund are within the same levy control and they can only make an exception if there is a taxpayer that objects. Mr. Kobe asked if they wanted to increase their fire fund from \$5,700 to \$12,000. Ms. Sembach explained that the budget she inherited was \$2,280, but the contract for 2007 was for \$3,000 and there was an increase for 2008 of \$200. She added that she wanted to increase the budget to \$4,500. Mr. Kobe noted that the maximum levy was \$5,755 and the request is for \$5,700 which is within the maximum levy. Mr. Kobe asked Mr. McLean if he knew what their maximum levy was for Fairview Township.

Mr. Christian said that their budget is showing \$4,500 for total fire funds. Ms. Sembach said that she understands that they are working on an 18-month cycle, but she does not know how it works. She said that all she has to go by is what her actual figures are, which up until this year was \$2,280, with a contract price this year of \$3,200. Ms. Sembach went on to say that she is requesting \$4,500 for

next year and since the increase was greater than the 4% growth rate, she understood that she had to file an appeal.

Mr. Kobe said that he thinks this is another case where this needs to be handled administratively.

Motion: Mr. Kobe made a motion to send the appeal on to the Commissioner without recommendation so that an administrative solution could be found. Ms. Decker seconded the motion.

Discussion on the motion: Mr. Jones said that part of the problem is that all the laws changed last spring and the appeals for which they would normally be pursuing are gone. He said that is why the LGTCB is struggling with a response. Mr. Stafford remarked that he suspects that all three of the trustees did not accept being appointed to their positions and going through all of this; that this was probably not what they wanted. Mr. Dalrymple commented that it is not that bad. He said his situation in Orange Township is the same.

Motion carried by a vote of 5-0.

Further discussion: Mr. Dalrymple said they have been trying to get more money for their fire fund. He said they have a volunteer fire department and over the past year it started giving out \$300 to \$500. He stated that as times have changed, he would like to ask for \$20,000 so that they can have the people and equipment necessary to run properly, but he would not do that. Mr. Dalrymple stated that it costs \$7,000 to outfit one person and they would like to have the fire department continue to grow, but at the current levy of \$1,400 there is just not enough. Mr. Dalrymple said he would like to get the maximum levy at a point where he does not have to come back for money.

Mr. Christian asked if he does not receive the \$3,000, if he would be able to carry out their governmental duties as a fire protection unit. Mr. Dalrymple said that they would not be able to do so. He said last year he put the COIT funds into the fire fund and he said that he cannot do that again. Mr. Christian asked how big the department was. Ms. Sembach said that they have about 35 firefighters. Mr. Christian asked if the fire department would stop providing service to them if they do not get the funds. Mr. Dalrymple replied that he is sure the State would not let them do that, because then it would be twice as far for him to go to get protection for Orange Township. Mr. McLean pointed out that this is the statutory responsibility of the trustee to provide fire protection. Mr. Dalrymple replied that that is why he is before the LGTCB to get the funds that will allow him to meet his governmental obligations.

Mr. Kobe noted that there seem to be some healthy balances in the other funds and asked if any of those could be used for the fire fund. Mr. Dalrymple stated that they have \$8,000 in CD's in some other funds, because his predecessor had intentions of building a community center. He continued by saying it was left in there until 2008, noting that the CD's bring in interest. Mr. Dalrymple commented that that was fortunate for them because he had to cash one of the CD's to keep the township general fund operating because there were no property taxes. He said he will have it at some point where there will not be CD's there at all. Mr. Kobe asked if the community center is no longer a priority and the DLGF can assist him in getting access to the CD's, if he would take that deal. Mr. Dalrymple noted that the citizens were taxed for the general fund on that money and not for the fire fund.

Mr. Kobe commented that by Mr. Dalrymple's own admission, there is no emergency, so it does not make much sense to act unless there is some administrative solution they can apply in this case. Mr. Christian noted that he also said that Mr. Dalrymple said that if he did not get the appeal that he would not be able to carry out his governmental responsibilities, which is one of the reasons for an emergency appeal. Mr. Christian asked for questions from the LGTCB members and then asked if Mr. Dalrymple is eligible for the \$3,000 for fire as advertised. Mr. Jones replied that he is leaning toward that. Mr. Christian stated that it meets at least one of the criteria for an emergency. Mr. Stafford commented that he is justified in his mind. He said that there is another solution for the route that they are going, but not at this time. Mr. Stafford went on to say that he has seen a lot of fire districts come through and get a new levy because the cost of fire protection is much higher than it used to be. He said that there is no way to cover their needs for equipment and insurance with where the levies are set and only a 4% annual growth. Mr. Christian said that the other point is that Mr. Dalrymple cannot mix township and fire funds. Mr. Jones said that was correct.

Ms. Sembach said that her situation is exactly the same as his and the only way she has been able to meet her fire protection responsibilities is that each year every dime of her COIT money goes to fire protection. She stated that without her COIT money she cannot even meet her budgeted price of \$2,280, let alone her contract price. Ms. Sembach went on to say that this is to her a situation where things have changed so much, but she wants to know how responsible is it to have fire departments operating this way. She said that she cannot provide much of the necessary preventive maintenance and measures on the amount of funds she is being given. Mr. Jones said that one of the problems is the property tax burden for all fire districts.

Motion: Mr. Jones made a motion to recommend approval of the appeal for Orange Township. Mr. Stafford seconded.

Motion carried by a vote of 5-0.

Pike Township

Jay County

Emergency Levy Appeal

Summary: The Trustee has declared an emergency exists that will prevent them from providing required services to all citizens due to levy cap. They are requesting a \$6,197 levy increase to get past their challenges.

2008 AV:	N/A	2007: \$37,619,820
Unit Rate Impact	N/A	2007: .0245
District Rate Impact	N/A	2007: 2.2549
2008 Levy (all Funds)	\$6,456	
2009 Proposed Levy (all funds)	\$12,038	

Advertised to General Fund \$6,179 08/04/2008

Present for hearing: Robert C. Lyons, Township Trustee.

Comments: Mr. Christian stated the summary. He then asked the nature of the Pike Township emergency. Mr. Lyons replied that the 4% increase is not enough. He said they have 12 townships in Jay County and his predecessor was in charge of surplus food. Mr. Lyons went on to say that he

had a lot of money in the poor relief account and used EDIT money. He stated that he has only had a levy twice and that he had a large enough surplus in the general fund that he didn't need anything additional. Mr. Lyons explained to the LGTCB that he does not have enough money now to pay insurance on their community building and that his salary is \$4,000 a year. He said that he would not do the work for free, so they may not have any trustees.

Mr. Christian asked how he came up with the \$6,179. Mr. Lyons said the Form 4B; he put in LOIT and used the same balance of \$43,290. He remarked that the system is broken. Mr. Lyons shared that if the Pike Township Advisory Board and taxpayers agree that this should be done, then that should be enough. He said his philosophy is that they should not be taxing people for things they do not need. He said now he needs a four cent levy instead of a 2 cent levy and now he is finding out that it is a one year levy.

Mr. Christian asked again of Mr. Lyons how he got to his number of \$6,179. Mr. Lyons replied that he subtracted how much he has from how much he needs according to Form 4B. In order to determine need Mr. Lyons said he added salaries, retainer fee for attorney, etc. Mr. Stafford commented that he did not have the form in his packet. Mr. Kobe replied that it is the 16-line statement. Mr. Kobe remarked that the Pike Township levy used to be larger than it is now. Mr. Lyons said it was not. Mr. Kobe said that he thought Mr. Lyons was saying that the max levy was cut. Mr. Lyons responded by saying that there is a \$6,000 balance on poor relief. He said if someone comes to him, he will help. He added that a lot of people come to him and helps them find work. He asked what happens if he wants to start adding a levy for poor relief, because 4% of zero is still zero. Mr. Lyons then explained where the \$14,150 would be spent. He said \$8,450 is his salary, advisory board, clerk and the Township's share of social security withholding. He went on to say that supplies are \$400, telephone, travel, printing and advertising are \$500; official bond and insurance is \$900; utilities on the community building are \$650 a year, office rent is \$800 per year; care of three sanitary areas is \$800; and then dues, subscriptions, other services and charges are about \$5,300.

Mr. Christian asked what the new budget is. Mr. Lyons replied that it is the same as last year. Mr. Stafford asked how it compares to the last few years. Mr. Lyons said it has been the same for forever, which is because they were using a balance and using it up. He said his philosophy is if taxes are being paid this year, they should not be put away. Mr. Jones asked about his entry on line 11 and why there was an operating balance. Mr. Lyons asked if it should be zero. Mr. Jones replied that if he is asking for tax increases then yes. Mr. Lyons said that the Township has to have some surplus. Mr. Jones asked how much the increase was. Mr. Lyons replied that it is doubled. Mr. Jones said half of it would be in fund balance. Mr. Lyons stated that he cannot operate in good conscious with zero surpluses. He said that is too risky. Mr. Jones responded by saying that he cannot support a tax increase if half of it is going to be fund balance. Mr. Lyons stated that he paid no salaries, nothing and that he received his June draw in October and would be lucky to get his December draw before the first of the year.

Motion: Mr. Kobe made a motion to declare an emergency and recommend a levy increase as submitted of \$6,179. Ms. Decker seconded the motion.

Mr. Jones made a motion to amend Mr. Kobe's motion to \$2,889, so that there would be no fund balance. Motion to amend failed for lack of a second.

Motion to declare an emergency and recommend a levy increase of \$6,179 carried by a vote of 4-1.
Dissenting vote cast by Mr. Jones.

Posey Township
Franklin County
Emergency Levy Appeal

Summary: The Trustee has declared an emergency exists that will prevent them from providing fire protection to the community. They are requesting a \$19,000 loan to get past their challenges.

2008 AV:	\$28,808,105
Unit Tate Impact	0.0658
District Rate Impact	0.0350
2008 Levy (all Funds)	\$10,691
2009 Proposed Levy (all funds)	\$28,000

Advertised to General Fund \$11,000 and Fire \$8,000; Total \$19,000 09/03/2008

Present for hearing: DID NOT APPEAR.

Comments: Mr. Christian reviewed the details of the Posey Township request. He asked if there was discussion or if a LGTCB member was ready to make a motion

Motion: Mr. Kobe stated that the written material was insufficient to make a motion to approve. Mr. Kobe then made a motion to recommend denial of the Posey Township shortfall appeal. Mr. Stafford seconded the motion.

Motion carried by a vote of 5-0.

Graham Township
Jefferson County
Emergency Levy Appeal

Summary: The Trustee has declared an emergency exists that will prevent them from providing township assistance due to increased unemployment. They are requesting a \$5,000 loan to get past their challenges.

2008 AV:	\$54,970,810
Unit Rate Impact	.0091
District Rate Impact	.6292
2008 Levy (all Funds)	\$18,579
2009 Proposed Levy (all funds)	\$33,000

Advertised: Unit has been contacted and they are aware of the need.

Present for hearing: DID NOT APPEAR.

Comments: Mr. Christian said they were scheduled to appear at 3:20, but did not show. Mr. Kobe commented that the written material was insufficient to support appeal.

Motion: Mr. Kobe made a motion to recommend denial of the appeal. Mr. Jones seconded the motion.

Motion carried by a vote of 5-0.

Mr. Christian adjourned the meeting at 3:51 PM.